

## Message Text

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ACTION NEA-12

INFO OCT-01 ISO-00 NEAE-00 ABF-01 FBO-01 SSO-00 NSCE-00

INRE-00 USIE-00 SS-20 NSC-10 IGA-02 L-03 H-03 SCI-06

AGR-20 A-01 NSF-04 HEW-08 EPA-04 NASA-04 SMI-01

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OPIC-12 SPC-03 CIEP-02 LAB-06 SIL-01 OMB-01 DODE-00

PA-04 PRS-01 AEC-11 DRC-01 /205 W

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O 051130Z DEC 73

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC IMMEDIATE 8262

LIMITED OFFICIAL USE SECTION 1 OF 3 NEW DELHI 14218

E.O. 11652: N/A

TAGS: EFIN, IN

SUBJ: RUPEES

1. DRAFT PART I, PUBLIC LAW 480 RUPEES, TO RUPEE AGREEMENT  
FOLLOWS: (SEE COMMENT FOR CURRENT STATUS)

PART I

PUBLIC LAW 480 RUPEES

"WHEREAS, THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND  
THE GOVERNMENT OF INDIA HAVE FROM TIME TO TIME, PURSUANT TO  
AND IN FURTHERANCE OF THE OBJECTIVES OF TITLE I, AGRICULTURAL  
TRADE DEVELOPMENT AND ASSISTANCE ACT (UNITED STATES PUBLIC  
LAW 480, 1954), ENTERED INTO THE AGREEMENTS FOR THE SALE  
OF AGRICULTURAL COMMODITIES SPECIFIED IN ANNEX I HERETO,  
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WHEREUNDER THE GOVERNMENT OF INDIA AGREED TO MAKE CERTAIN

PAYMENTS OF INDIAN RUPEES TO THE GOVERNMENT OF THE UNITED STATES OF AMERICA (THE "SALES AGREEMENTS");

"AND WHEREAS, PURSUANT TO AND IN FURTHERANCE OF THE OBJECTIVES OF SECTION 104 OF SAID PUBLIC LAW 480, THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF INDIA HAVE ALSO ENTERED INTO CERTAIN OTHER AGREEMENTS, SPECIFIED IN ANNEX II HERETO, WHEREUNDER THE GOVERNMENT OF THE UNITED STATES OF AMERICA HAS LOANED TO THE GOVERNMENT OF INDIA CERTAIN OF THE RUPEE PROCEEDS ACCRUING TO THE GOVERNMENT OF THE UNITED STATES OF AMERICA AS A RESULT OF THE SALES AGREEMENTS (THE "LOAN AGREEMENTS");

"AND WHEREAS, THE GOVERNMENT OF THE UNITED STATES OF AMERICA, ALSO BASED ON AUTHORITY CONTAINED IN SECTION 104 OF SAID PUBLIC LAW 480, HAS ENTERED INTO THE AGREEMENTS SPECIFIED IN ANNEX III HERETO, PURSUANT TO WHICH CERTAIN OTHER OF THE RUPEE PROCEEDS ACCRUING FROM THE SALES AGREEMENTS HAVE BEEN LOANED TO PRIVATE BORROWERS IN INDIA (THE "COLLEY AGREEMENTS");

"AND WHEREAS, BY OPERATION OF THE AGREEMENTS REFERRED TO ABOVE, AND SUBJECT TO ADJUSTMENT AS PROVIDED IN PARAGRAPH 1(D) OF THIS PART I, ON THE DATE OF THIS AGREEMENT THE GOVERNMENT OF THE UNITED STATES OF AMERICA HAS AND IS SCHEDULED IN THE FUTURE TO RECEIVE RUPEES IN THE FOLLOWING CATEGORIES AND AMOUNTS (THE "PUBLIC LAW 480 RUPEES");

"(A) UNEXPENDED BALANCES (HELD IN SPECIAL SECURITIES WITH THE RESERVE BANK OF INDIA) OF AMOUNTS ALREADY RECEIVED BY THE GOVERNMENT OF THE UNITED STATES OF AMERICA FROM (1) THE GOVERNMENT OF INDIA PURSUANT TO THE TERMS OF THE SALES AGREEMENTS; (2) THE GOVERNMENT OF INDIA PURSUANT TO THE TERMS OF THE LOAN AGREEMENTS; AND (3) PRIVATE BORROWERS PURSUANT TO THE TERMS OF THE COLLEY AGREEMENTS: RS.-----

"(B) UNPAID AND OUTSTANDING PRINCIPAL, AND UNPAID INTEREST THEREON TO THE DATE OF THIS AGREEMENT, UNDER THE LOAN AGREEMENTS: RS.-----5?/

"(C) UNPAID AND OUTSTANDING PRINCIPAL, AND INTEREST SCHEDULED LIMITED OFFICIAL USE

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TO BECOME DUE THEREON AFTER THE DATE OF THIS AGREEMENT, PURSUANT TO THE TERMS OF THE COOLEY AGREEMENTS:

- 1) PRINCIPAL RS#-----
- 2) INTEREST RS.-----

"AND WHEREAS, THE TOTAL OF THE FOREGOING PUBLIC LAW 480 RUPEES IS RS.-----, WHICH FIGURE INCLUDES ALL SCHEDULED FUTURE PUBLIC LAW 480 PROCEEDS WITH THE SOLE EXCEPTION OF

INTEREST PAYABLE UNDER THE LOAN AGREEMENTS AFTER THE DATE OFD  
THIS AGREEMENT;

"AND WHEREAS, THE TWO GOVERNMENTS, PARTIES TO THIS AGREEMENT,  
MUTUALLY DESIRE THAT: (A) THE GOVERNMENT OF INDIA'S OUTSTANDING  
OBLIGATIONS UNDER THE LOAN AGREEMENTS BE FORTHWITH PAID IN  
FULL; (B) WITH THE SOLE EXCEPTIONS HEREINBELOW TREATED, ALL  
PUBLIC LAW 480 RUPEES BE GRANTED TO THE GOVERNMENT OF INDIA,  
IN ACCORDANCE WITH THE PROVISIONS OF PUBLIC LAW 480, AND  
SPENT WITH REASONABLE PROMPTNESS IN A MANNER DESIGNED TO  
CONTRIBUTE TO THE ECONOMIC DEVELOPMENT OF THE REPUBLIC OF INDIA;  
(C) AN UNDERSTANDING BE REACHED AS TO DISPOSITION AND USE OF  
FUTURE PAYMENTS TO THE GOVERNMENT OF THE UNITED STATES OF  
AMERICA PURSUANT TO THE TERMS OF THE COOLEY AGREEMENTS;  
AND (D) AN ACCOMMODATION BE REACHED AS TO THE SATISFACTION  
OF CERTAIN DOLLAR CONVERSION OBLIGATIONS OF THE GOVERNMENT  
OF INDIA TO THE GOVERNMENT OF THE UNITED STATES OF AMERICA,  
ARISING FROM THE AGREEMENTS SPECIFIED IN ANNEX IV TO THIS  
AGREEMENT;

"NOW, THEREFORE, THE TWO GOVERNMENTS HEREBY AGREE AS FOLLOWS:

"TRANSITION ACCOUNT

"1 (A). THE GOVERNMENT OF INDIA SHALL PREPAY THE ENTIRE  
UNPAID AND OUTSTANDING PRINCIPAL, AND SHALL PAY ACCURED INTEREST  
UP TO THE DATE OF THIS AGREEMENT, UNDER THE LOAN AGREEMENTS.

(B) THE GOVERNMENT OF INDIA SHALL MAKE THE FOREGOING PRE-  
PAYMENT OF PRINCIPAL AND PAYMENT OF ACCRUED INTEREST BY DEPOSIT-  
ING, ON THE DATE OF THIS AGREEMENT, RS.-----INTO A NEW  
ACCOUNT IN FAVOR OF THE GOVERNMENT OF THE UNITED STATES OF  
AMERICA WITHIN THE PUBLIC ACCOUNT OF THE GOVERNMENT OF INDIA,  
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SUCH ACCOUNT TO BEAR NO INTEREST (THE "TRANSITION ACCOUNT").

(C) ON THE DATE MF THIS AGREEMENT THE GOVERNMENT MF THE  
UNITED STATES OF AMERICA AND THE GOVERNMENT OF INDIA SHALL  
CAUSE ALL THE SECURITIES HELD WITH THE RESERVE BANK OF INDIA  
AND REFERRED TO IN PARAGRAPH (A) OF THE FOURTH PREAMBULAR CLAUSE  
OF THIS PART TO BE EXCHANGED FOR RUPEES; AND THE GOVERNMENT  
OF THE UNITED STATES OF AMERICA SHALL DESPOST SUCH RUPEES IN  
THE TRANSITION ACCOUNT.

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INRE-00 USIE-00 SS-20 NSC-10 IGA-02 L-03 H-03 SCI-06

AGR-20 A-01 NSF-04 HEW-08 EPA-04 NASA-04 SMI-01

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OPIC-12 SPC-03 CIEP-02 LAB-06 SIL-01 OMB-01 DODE-00

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(D) WITHIN NINETY DAYS OF THE DATE OF THIS AGREEMENT (EXCEPT AS THE TWO GOVERNMENTS SHALL OTHERWISE AGREE), THE GOVERNMENT OF INDIA SHALL DEPOSIT INTO THE TRANSITION ACCOUNT, OR THE GOVERNMENT OF THE UNITED STATES OF AMERICA SHALL TRANSFER TO THE GOVERNMENT OF INDIA FROM THE TRANSITION ACCOUNT, AS MAY BE APPROPRIATE, SUCH AMOUNT IN RUPEES AS MAY BE REQUIRED TO CORRECT INACCURACIES IN COMPUTATION OF THE RUPEES PREPAID OR PAID PURSUANT TO THE PRECEDING PARAGRAPH 1 (A).

"2. PUBLIC LAW 480 RUPEES REMAINING IN THE TRANSITION ACCOUNT AFTER THE DATE OF THIS AGREEMENT (ESTIMATED TO BE RS.-----) MAY BE EXPENDED OR COMMITTED UP TO JUNE 30, 1974 FOR ANY OF THE PURPOSES AND ACTIVITIES FOR WHICH PUBLIC LAW 480 RUPEES HAD BEEN SPENT BY THE GOVERNMENT OF THE UNITED STATES OF AMERICA PRIOR TO JUNE OF 1972 IN ACCORDANCE WITH THE CONSULTATIVE PROCEDURES IN EFFECT PRIOR TO SUCH DATE. ANY SUCH RUPEES WHICH ARE BOTH ENEXPENDED AND UNCOMMITTED AS OF LIMITED OFFICIAL USE

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JUNE 30, 1974 SHALL BE TRANSFERRED PROMPTLY THEREAFTER TO THE GOVERNMENT OF INDIA AS AN ADDITIONAL PART OF THE GRANT PROVIDED FOR IN PARAGRAPH 3 OF THIS PART I, SUCH AMOUNT TO BE ALLOCATED AMONG THE SECTORS SPECIFIED IN PARAGRAPH 4(A) OF THIS PART I AS THE GOVERNMENT OF INDIA SHALL DETERMINE. ANY SUCH RUPEES WHICH, AS OF JUNE 30, 1974, ARE COMMITTED BUT NOT YET FULLY EXPENDED SHALL, PROMPTLY FOLLOWING THAT DATE, BE TRANSFERRED TO THE RUPEE ACCOUNT REFERRED TO IN PARAGRAPH 7 OF THIS PART I AND TREATED IN ACCORDANCE WITH THE PROVISIONS OF THAT PARAGRAPH.

"FINANCING OF DEVELOPMENT PROJECTS

23/ TO PROMOTE AGRICULTURAL AND OTHER ECONOMIC DEVELOPMENT IN INDIA, INCLUDING PROGRAMS DESIGNED TO PROMOTE, INCREASE AND IMPROVE FOOD PRODUCTION AND RELATED ACTIVITIES, THE GOVERNMENT OF THE UNITED STATES OF AMERICA HEREBY DELIVERS TO THE GOVERNMENT OF INDIA (WHICH HEREBY ACKNOWLEDGES RECEIPT THEREOF) ITS CHECK IN THE AMOUNT OF RS.-----, EXCEPT AS PROVIDED IN PARAGRAPHS 2, 6, AND 7 OF THIS PART I, DELIVERY OF THIS CHECK TO THE GOVERNMENT OF INDIA SHALL TERMINATE ALL RIGHTS OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA TO OWN OR IN ANY MANNER USE PUBLIC LAW 480 RUPEES.

"4 (A). THE PROCEEDS OF THE GRANT PROVIDED FOR IN THE PRECEDING PARAGRAPH 3 SHALL BE APPLIED BY THE GOVERNMENT OF INDIA IN THEIR ENTIRETY TO PROJECTS TO BE CHOSEN BY THE GOVERNMENT OF INDIA IN THE FOLLOWING SECTORS AND SHALL BE EXPENDED IN THE AMOUNTS INDICATED:

(I) AGRICULTURE, INCLUDING: AGRICULTURAL RESEARCH AND EDUCATION; MINOR IRRIGATION; ANIMAL HUSBANDRY AND DAIRY; SPECIAL PROJECTS AND PROGRAMS OF RURAL DEVELOPMENT AND EMPLOYMENT; SOIL CONSERVATION AND LAND DEVELOPMENT - RS. 10,500 MILLION

(II) HOUSING - RS. 1,800 MILLION

(III) FAMILY PLANNING, INCLUDING: SERVICES AND SUPPLIES (RURAL FAMILY PLANNING CENTERS, SUB-CENTERS, FAMILY PLANNING BUREAUS, INTENSIVE DISTRICT PROGRAMS AND PROVISION OF TRANSPORT) - RS. 1,050 MILLION

(IV) HEALTH: NATIONAL MALARIA ERADICATION AND SMALLPOX SCHEMES - RS. 400 MILLION

(V) TECHNICAL EDUCATION: INCLUDING INDIAN INSTITUTES OF LIMITED OFFICIAL USE

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TECHNOLOGY; INDIAN INSTITUTES OF MANAGEMENT; REGIONAL ENGINEERING COLLEGES - RS. 350 MILLION

(VI) POWER/CENTRAL SECTOR, INCLUDING: REGIONAL LOAD DESPATCH STATIONS INTERSTATE LINKS - RS. 700 MILLION

(VII) POWER/STATE SECTOR, INCLUDING 10 HYDROELECTRIC AND THERMAL PROJECTS - RS. 1,800 MILLION

(VIII) RURAL ELECTRIFICATION - RS. 1,000 MILLION

TOTAL: RS. 17,600 MILLION

(B) THE GOVERNMENT OF INDIA MAY IN ITS SOLE DISCRETION REALLOCATE AMOUNTS AMONG THE SECTORS SPECIFIED IN THE PRECEDING PARAGRAPH 4(A), SO LONG AS THE AMOUNT FOR EACH SECTOR SHALL NOT BE INCREASED OR DECREASED BY MORE THAN 15 PERCENT. FURTHER, THE GOVERNMENT OF INDIA MAY, IN AGREEMENT WITH THE GOVERNMENT OF THE UNITED STATES OF AMERICA, MAKE REALLOCATIONS RESULTING IN INCREASES OR DECREASES OF MORE THAN 15 PERCENT FOR ANY OF THOSE SECTORS OR, AGAIN IN AGREEMENT WITH THE GOVERNMENT OF THE UNITED STATES OF AMERICA, MAY MAKE ALLOCATIONS, WITHIN THE SAME TOTAL, TO NEW SECTORS.

"5. THE TOTAL RUPEE GRANT AS IDENTIFIED IN THE PRECEDING PARAGRAPH 4(A), SUBJECT TO THE REALLOCATIONS OR ALLOCATIONS TO NEW SECTORS, IF ANY, AS PROVIDED FOR IN THE PRECEDING PARAGRAPH 4(B), AND AS ADDED TO, IF AT ALL, PURSUANT TO THE PRECEDING PARAGRAPH 2 OR PARAGRAPH 7 OF THIS PART I, WILL IN THE ABSENCE OF EXTRAORDINARY CIRCUMSTANCES, BE FULLY EXPENDED AS AGREED TO IN THE PRECEDING PARAGRAPH 4, WITHIN A PERIOD NOT EXCEEDING FIVE YEARS FROM THE DATE OF THIS AGREEMENT. UNTIL THE SAID AMOUNTS HAVE BEEN FULLY EXPENDED, THE GOVERNMENT OF INDIA WILL FURNISH TO THE GOVERNMENT OF THE UNITED STATES OF AMERICA AN ANNUAL SUMMARY STATEMENT, BY SEPTEMBER 30 OF EACH YEAR, SETTING FORTH

FOR THE PRECEDING GOVERNMENT OF INDIA FISCAL YEAR THE AMOUNT OF THE GRANT EXPENDED IN EACH OF THE SECTORS, THE REMAINING BALANCE ALLOCATED TO EACH SECTOR AND A BRIEF DESCRIPTION OF EACH PROJECT OR ACTIVITY FINANCED WITH SUCH FUNDS. THE FINAL STATEMENT SHOWING THE TOTAL AMOUNTS EXPENDED IN EACH OF THE SECTORS WILL BE FURNISHED FOR THE FISCAL YEAR OF THE GOVERNMENT OF INDIA IN WHICH THESE FUNDS ARE FULLY EXPENDED. THE GOVERNMENT OF INDIA WILL ALSO FURNISH SUCH ADDITIONAL INFORMATION CONCERNING USE OF THESE FUNDS AS LIMITED OFFICIAL USE

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THE GOVERNMENT OF THE UNITED STATES OF AMERICA MAY FROM TIME TO TIME REASONABLY REQUEST.

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INFO OCT-01 ISO-00 NEAE-00 ABF-01 FBO-01 SSO-00 NSCE-00

INRE-00 USIE-00 SS-20 NSC-10 IGA-02 L-03 H-03 SCI-06

AGR-20 A-01 NSF-04 HEW-08 EPA-04 NASA-04 SMI-01

DOT-00 INT-08 HUD-02 LOC-01 AID-20 CIAE-00 COME-00

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OPIC-12 SPC-03 CIEP-02 LAB-06 SIL-01 OMB-01 DODE-00

PA-04 PRS-01 AEC-11 DRC-01 /205 W

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O 051130Z DEC 73

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC IMMEDIATE 8264

LIMITED OFFICIAL USE SECTION 3 OF 3 NEW DELHI 14218

E.O. 11652: N/A

TAGS: EFIN, IN

SUBJECT : RUPEES

COOLEY ACCOUNT

6. ALL PAYMENTS OF PRINCIPAL AND INTEREST RECEIVED AFTER THE DATE OF THIS AGREEMENT BY THE GOVERNMENT OF THE UNITED STATES OF AMERICA PURSUANT TO THE TERMS OF THE COOLEY AGREEMENTS WILL BE CREDITED UPON RECEIPT TO A SEPARATE NON-INTEREST BEARING ACCOUNT TO BE ESTABLISHED AT THE RESERVE BANK OF INDIA TO THE CREDIT OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA WITHIN THE PUBLIC ACCOUNT OF THE GOVERNMENT OF INDIA (THE "COOLEY ACCOUNT"). PAYMENTS THUS RECEIVED AND CREDITED WILL BE AVAILABLE FOR USE ONLY AS FOLLOWS:

"(A) IN SATISFACTION OF THE CONVERSION OBLIGATIONS CONTAINED IN THE AGREEMENTS LISTED IN ANNEX IV, THE GOVERNMENT OF LIMITED OFFICIAL USE

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INDIA WILL EXCHANGE RUPEES HELD IN THE COOLEY ACCOUNT FOR UNITED STATES DOLLARS IN AN AMOUNT EQUAL TO \$64 MILLION, IN TEN EQUAL INSTALLMENTS, ON THE FIRST BUSINESS DAY IN INDIA OF JULY OF CALENDAR YEARS 1974 THROUGH 1983. THE APPLICABLE EXCHANGE RATE FOR THIS PURPOSE SHALL BE THE RATE DERIVED BY MULTIPLYING THE SELLING RATE FOR THE UNITED STATES DOLLAR

IN TERMS OF THE POUND STERLING IN LONDON IN THE LAST PRECEDING BUSINESS DAY BY SELLING RATE IN BOMBAY ON SUCH BUSINESS DAY FOR THE POUND STERLING IN TERMS OF THE RUPEE FIXED BY THE RESERVE BANK ON INDIA; PROVIDED, THAT IF ON ANY CONVERSION DATE THE APPLICABLE EXCHANGE RATE CANNOT BE SO DERIVED, IT SHALL BE THE RATE LEGALLY AVAILABLE IN INDIA ON SUCH DATE WHICHREQUIRES THE SMALLEST NUMBER OF RUPEES FOR THE PURCHASE OF THE UNITED STATES DOLLAR AND WHICH IS NOT LESS FAVORABLE TO THE GOVERNMENT OF THE UNITED STATES OF AMERICA THAN EXCHANGE RATES OBTAINABLE BY ANY OTHER NATION ON SUCH DATE.

"(B) ALL UNITED STATES DOLLARS OBTAINED BY THE GOVERNMENT OF THE UNITED STATES OF AMERICA PURSUANT TO THE PRECEDING PARAGRAPH 6(A) MAY, WITHOUT ANY RESTRICTION OR IMPOSITION, BE TRANSFERRED TO THE UNITED STATES OR OTHERWISE EMPLOYED AS THE GOVERNMENT OF THE UNITED STATES OF AMERICA SHALL DETERMINE.

"(C) IN THE EVENT THAT BASED ON THE RUPEE DOLLAR EXCHANGE RATE AS REFERRED TO IN THE PRECEDING PARAGRAPH 6(A), COOLEY AGREEMENT PAYMENTS RECEIVED AND DEPOSITED IN THE COOLEY ACCOUNT BY THE GOVERNMENT OF THE UNITED STATES OF AMERICA DURING THE TWELVE MONTHS PRECEDING THE DATE OF ANY SCHEDULED CONVERSION PROVE INSUFFICIENT AS OF SUCH DATE TO EQUAL THE DOLLARS THEN DUE, THE GOVERNMENT OF THE UNITED STATES OF AMERICA MAY MEET ANY AND ALL SUCH DEFICITS BY USE OF ITS RETAINED NON-PUBLIC LAW 480 RUPEES, AS PROVIDED IN PARAGRAPH 9(A) OF PART II OF THIS AGREEMENT.

"(D) IN THE EVENT THAT (I) BASED ON THE SAME RUPEE DOLLAR EXCHANGE RATE, COOLEY AGREEMENT PAYMENTS RECEIVED AND DEPOSITED INTO THE COOLEY ACCOUNT BY THE GOVERNMENT OF THE UNITED STATES OF AMERICA DURING THE TWELVE MONTHS PRECEDING THE DATE OF ANY SCHEDULED CONVERSION PROVE EXCESSIVE TO THE DOLLARS DUE FROM THE GOVERNMENT OF INDIA AS OF SUCH DATE, OR (II) THERE SHALL BE RUPEES REMAINING OR RECEIVED IN THE COOLEY ACCOUNT AFTER THE FINAL CONVERSION DATE SPECIFIED IN THE PRECEDING PARAGRAPH 6(A) , THEN AS SUCH EXCESS RUPEES LIMITED OFFICIAL USE

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MAY BE USED OR ALLOCATED BY THE GOVERNMENT OF THE UNITED STATES OF AMERICA FOR ANY OF THE PURPOSES AND ACTIVITIES FOR WHICH PUBLIC LAW 480 RUPEES HAD BEEN SPENT BY THAT GOVERNMENT PRIOR TO JUNE OF 1972. SUCH PURPOSES AND ACTIVITIES MAY INCLUDE SUPPORT BY THE GOVERNMENT OF THE UNITED STATES OF AMERICA FOR ITS ECONOMIC ASSISTANCE PROGRAM IN NEPAL, INCLUDING RELATED TRANSSHIPMENT COSTS IN INDIA AND THE TRAINING AT INDIAN INSTITUTIONS OF SELECTED NEPALESE CITIZENS, PROVIDED THAT SUCH USE OF ALLOCATION OKSRUPEES IN SUPPORT OF THE NEPAL PROGRAM WILLBE SUBJECT TO THE PROCEDURES, AND WITHIN THE LIMITATIONS, OF PARAGRAPHS 9(A) AND 9(B) OF PART II OF THIS AGREEMENT.



"7. IN ADDITION TO PAYMENTS OF PRINCIPAL AND INTERSET RECEIVED AFTER THE DATE OF THIS AGREEMENT, THE GOVERNMENT OF THE UNITED STATES OF AMERICA IS ALSO DEPOSITING TO THE COOLEY ACCOUNT, AS OF THE DATE OF THIS AGREEMENT, RS.-----, THIS SUM IS BEING DEPOSITED, AND WILL BE ALLOCATED, SOLELY FOR FUTURE EXPENDITURE AGAINST OBLIGATIONS OF PUBLIC LAW 480 RUPEES ENTERED INTO BY THAT GOVERNMENT PRIOR TO THE DATE OF THIS AGREEMENT. ANY RUPEES WHICH AT ANY FUTURE TIME ARE DEOBLIGATED FROM THIS RS.-----SHALL BE TRANSFERRED PROMPTLY THEREAFTER TO THE GOVERNMENT OF INDIA AS AN ADDITIONAL PART OF THE GRANT PROVIDED FOR IN PARAGRAPH 4 OF THIS PART I, SUCH AMOUNT TO BE ALLOCATED, AS THE GOVERNMENT OF INDIA SHALL DETERMINE, AMONG THE SECTORS SPECIFIED IN THE PRECEDING PARAGRAPH 4(A)."

COMMENT: THIS PART I AS WELL AS PART II WHICH FOLLOWS BY SEPTTEL HAS NOT YET BEEN AGREED TO BY THE GOI. WE ARE TRENSMITTING THEM NOW IN ORDER TO AVOID DELAY. WE SHALL CONFIRM ACCEPTANCE WITH SCHANGES, IF ANY, AS A RESULT OF OUR MEETING SCHEDULED SHORTLY WITH GOI.  
END COMMENT.  
SCHNEIDER

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## Message Attributes

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**Secure:** OPEN  
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**Subject:** RUPEES  
**TAGS:** EFIN, IN, US  
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